

MINUTES
COUNCIL ON RECYCLING
JUNE 21, 2005
U.S. OIL
558 CARTER COURT
KIMBERLY, WISCONSIN

Council Members Present: Neil Peters-Michaud; John Piotrowski; John Reindl;
William Swift; Charlotte Zieve

Council Members Absent: Cecelia Stencil; Jeff Fielkow.

Also attending: Laura Krist, Jacobus Environmental

Call To Order: The meeting was called to order by Chair John Reindl at 9:00 AM

Introduction and Announcements: John Reindl said that the budget passed by the Joint Finance Committee accepted the governor's proposed funding transfers, added other transfers and added a reduction in the tipping fee (from \$3.00 to \$2.25) and the recycling business income tax surcharge. Sen. Fitzgerald, the Joint Finance Committee Co-chair was quoted in a newspaper article saying that the state should not be in the recycling business. Reindl said the legislature will move quickly and finish in early July.

Other proposals include mercury in products and bottle deposit legislation. The deposit legislation would take the left over funds and use it for dental care for rural areas. Reindl said that this was the issue that brought him into the recycling field. This is also the issue that spawned the recycling laws. As an alternative to deposit legislation the legislature decided to create a comprehensive program on recycling. When asked about the economics for the RU's Reindl replied that part of the question is the ultimate goal. Is the goal is to make the RU's economically whole or is the goal to protect the environment by reducing the environmental impact of solid waste management? The goal should determine the outcome. Zieve said why not both. Reindl said that there are always trade-offs. This issue has many.

Reindl said that the Governor's Blue Ribbon Task Force is forming. The Task Force should have 15-20 members.

Minutes: Approval of the Minutes of April 26, 2005. Charlotte Zieve moved, John Piotrowski seconded. Minutes approved without amendment.

Reports

DNR: Dan Fields, DNR, said the recycling rules are at the registrar. They should be printed and effective by July 1, 2005. DNR is planning outreach and education sessions in October with a number of groups. They include the Wisconsin League of Municipalities, Towns Association and the Northeast Wisconsin Cooperative Marketing Group. Guidance will be available on the web articles will be in the Recycling News newsletter and other publications.

Fields said that the Governor's has issued an Executive Order creating the Blue Ribbon Task Force on Waste Materials Recovery and Disposal. The Task Force will have 15-20 members and will be reviewing the entire waste program. It is expected that the members will be announced in late July/early August

Fields said that the DNR is making a 4-5 minute video showing recycling in context of jobs and the economy. The video will show the material being used and the need of companies for the material. It is a response to those people who say that recycled material really doesn't get recycled. A paper mill and a plastics company will be featured. This is aimed at a somewhat informed audience and will be used as part of a larger presentation. Fields said radio and TV spot could be culled from the project for future use. Neil Peters-Michaud asked we considered non-traditional recycling, like fluorescent tubes. Fields replied that DNR was looking at high volume materials with good visuals. Paper machines are impressive and give a feeling of movement and

excitement. Reindl said that doing a video on other areas would be helpful when discussing those other issues. Peters-Michaud suggested that we partner with groups in the affected industries and get their support.

Fields said that DNR, SHWEC and WasteCap have been awarded a federal grant from EPA Region 5 for C&D Recycling Training and Development of on-line tracking tools to report C&D recycling and community E-scrap recycling

Fields said that even though quite a bit of money was transferred from the Recycling Fund, the funding was continued for all current programs. Peters-Michaud asked if there was a summary of the economic impact of the projects available. Fields said he would check. Reindl suggested that we contact Commerce and ask them to talk about this issue.

Used Oil Filters and Absorbents- Bill Swift said that the committee had finished. The committee recommended a series of benchmarks that must be met or the state will impose a landfill ban on used oil filters and absorbents. The recommendations have been sent to the governor and the legislature. Reindl asked about the figures in the report. Laura Krist, Jacobus Environmental, said that the numbers were open to interpretation but the formulas were able to be recreated. John Katers, UW-Extension, did most of the calculations. Piotrowski asked why Minnesota was doing so well. Swift said that Minnesota had a deposit. Piotrowski said that that showed how well deposits work. Reindl said that Sen. Harsdorf and Rep. Ott were the legislators who had shown the most interest in the issue. Members asked that Reindl contact Sen. Harsdorf and Rep. Ott to offer the assistance of the Council. Reindl said that since the report was from the Commerce Department, Commerce should be supportive of any legislation.

Paper: Piotrowski said the paper industry asked for a seat on the governor's Blue Ribbon Task Force. Piotrowski said he was asked to serve but instead recommended that the position be filled with 2 industry people who would split the position.

Piotrowski said that recycled paper prices will stay high because of international pressure. He said the erosion of quality suggests that there will be more pressure on virgin fiber procurement. Reindl asked why some plants were closing. Piotrowski said it had nothing to do with recycling. The mills are closing because of trying to compete using old technology. The new plants are being built in Asia. There are 4 stages of growth. 1) Develop technology 2) Capital expansion/modernization 3) Maintaining 4) Decline and ending of capital reinvestment. The paper industry in the US is in the 3rd and 4th stage. Other factors include the types of fiber available. Eucalyptus can be raised in 7 years vs. 25 years for pine/poplar. Future expansion is going overseas. This is a microcosm of economic factors that all industries are facing. The paper industry is just the latest.

Piotrowski said that the budget bill has a provision that exempts recycling paper mills from the tipping fee.

Electronics: Charlotte Zieve prepared a power point presentation on Sen. Miller's bill. Major features of the bill: 1) Disposal of equipment 2) Producer responsibility 3) Substances 4) State purchases.

Producer responsibility: 1) Implement program to finance program for disposal of equipment 2) Lists prohibited equipment 3) DNR can promulgate rules 4) Prohibition of sales in the state if above requirements aren't met 5) Penalty is loss of ability to do business in state 6) required to pay for the % of equipment they sell in state and a % of orphan equipment 7) % determined by market share. Zieve said there is a tremendous amount of paper work involved in this. That would be quite a cost burden.

Plan must go to DNR in 30 months from passage of bill. Plan must include: 1) How workers will be protected 2) How they will comply on labeling 3) How they will ensure the material is not exported to companies that are not part of the Organization for Economic Cooperation and Development 4) They will submit annual reports 5) Company can't sell in state if plan is not approved 6) Waiver if % of sales is <0.1%. Apparently, DNR would be responsible for enforcing the requirements. Bill prohibits 7 substances. Company can get a waiver if the material is technically impossible to replace.

There is a landfill ban on many products. Producer cannot charge a fee. There are fees for the producer to pay for oversight. The fees have to be high enough to cover all the costs. Zieve felt that there was so much reporting that the fees would have to be very large to support the oversight staff. Producers also have to file a surety bond of \$300,000 or 10% of the sales with the state, whichever is greater. That bond could be significant. Zieve said that there is so much record keeping in this bill. The producers have to keep track of so different many things.

There are also requirements for record keeping to ensure that employees are tested for hazardous substances and that companies comply with OSHA requirements. If prison labor is used, the companies must pay the same wages and be afforded equal protection and test for banned substance and do a blood test.

There are requirements for consumer education. They include provisions to ensure users of electronic equipment that they understand the prohibitions, potential affects on human health, options for disposal and users role in achieving reduce, recycle and other proper disposal. Zieve felt that the public should have more responsibility.

If a national law is enacted, the DNR shall prepare a report on the federal law and the effect of the federal law on the state program

Penalties include up to \$10,000 per violation for any 'person'. Companies are 'persons' in the legal sense.

Zieve said that she did not know when the bill would be introduced. Reindl said that Sen. Miller was working on changes and that the bill could be quite different when it is introduced. For example, third party organizations (TPO's) are allowed in the bill but it's not clear. Sen. Miller may change that to make it clear that they are allowable. Peters-Michaud said that California was collecting money and has \$15 million this quarter. The money is collected by the Department of Revenue, not the state's environmental arm. Getting the money out has been more difficult. One issue is that the vendor must show that the computer was owned by a California resident. That has been difficult to show without a great deal of paperwork. That would be easier if it was a national program. This includes internet sales.

The Maine plan is different. It has some similarities to Sen. Miller's bill. The Maine bill has created questions about who is a producer. Information on sales data is readily available but historic waste is not readily available. Reindl said a problem with collecting a percentage of orphan waste is that you don't know how much orphan waste is out there so you don't know how much you are required to collect.

Peters-Michaud said that Maryland has a pilot program that requires each vendor to register and pay a fee. The money goes into an education fund.

Reindl said the changes that the Council have discussed include making it simpler, allowing for TPO's and reducing the paperwork. Norway's model is very simple and it works. They have triple the EU recycling rate. Reindl said that at the hearing on a similar bill last year, WMC said that putting these materials in a landfill was not a problem. Zieve said that we don't have enough experience with landfills to declare them safe. Reindl said that the landfill stability issue centered around the idea that we shouldn't burden future generations. Landfilling material may require future generations to clean up the landfill is against the basic principles of sustainability. Reindl said that the Council could reach out to other groups on this issue. Zieve said that once people see the problem, they are willing to deal with it. Reindl said that 95% of the people in the state participate in recycling. No other government mandate has that type of compliance. Peters-Michaud said that another idea that has been proposed is to take the funding for corrections and use it for a grant program for RU's instead. He said he would work out some details on that idea. Reindl suggested that the Council wait until the bill is introduced and make comments at that time.

Construction & Demolition: Peters-Michaud said that there was a lot of activity in this sector. DNR, Green Building Alliance, WasteCap and UW-Extension have all had programs. Peters-Michaud suggested that we keep an eye on this sector but that it should not be a priority. Piotrowski said that his company was involved in a green energy project. Reindl said that Dane County burns methane at the landfill and gets credit because they paid for the equipment.

Mercury in Products: Reindl said that several things have happened. A coalition called 'Mercury Free Wisconsin' has been formed. Their focus is on switches and relays. They are trying

for a ban, not collection. The state Department of Commerce has the responsibility for the uniform dwelling Code (UDC). Commerce is considering a ban on the use of mercury thermostats in new residential construction. 21 legislators had written a letter to Commerce asking for that ban. Reindl said he has heard that some state legislators are working on mercury legislation. He did not have any details.

Reindl said that on the national level a conference he attended discussed mercury in products. Three times as much mercury is emitted into the environment from products as from power plants. About 2/3 of that mercury goes into land spreading and landfills. Recent estimates of mercury emissions from landfills are ten fold of past estimates. At the meeting they set up workgroups and they created action plans.

Reindl said that over the last 6 years there have been over 400 bills introduced in state legislatures on mercury in products. 55 have been enacted. 155 have been introduced this year (12 have been enacted). Wisconsin has not introduced any legislation at this time. Some products are no longer available because there are enough bans to make it uneconomical to create two different products.

Reindl said that there is a lot of national attention on this issue.

Public Comment: None.

Other Business

The next Council meeting is scheduled for Tuesday, August 23, 2005 at the Forest Products Laboratory, 1 Gifford Pinchot Drive, Madison. The main focus will be adhesives.

Adjournment: Zieve moved and Piotrowski seconded. The Council adjourned at 11:30 AM.

The Council toured Jacobus Energy after the meeting.

Respectfully submitted by Daniel B. Fields, Department of Natural Resources.